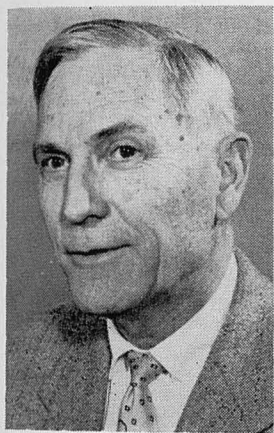


FINANCING STREETS: SUMMARY AND POSSIBLE SOLUTIONS*

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In terms of policy implications, the morning's discussion can be summarized as involving two major issues. (1) Each speaker emphasized the need for a sense of city officials' political and engineering responsibility. (2) Each expressly stressed advance planning for economical street financing.



Sense of Responsibility

All round table participants accented the necessity, if street work is to be properly handled, of city officials' distinct sense of duty in raising the necessary revenues. The city which claims the right to home rule must take political responsibility for taxes or other revenues required for street maintenance.

Three kinds of tax measures, with official and citizen responsibility, can produce considerable street maintenance and improvement revenue. One city reportedly imposes a sticker tax on each motor vehicle owner who regularly uses his car in the city. A group of municipalities uses general occupational licenses, collected mainly through payroll withholding. One community has equalized property tax assessments and, by raising the average valuation level, increased the effective city property tax rate to secure necessary street funds. In this particular city, revaluing all property for assessment purposes contributed to tax load equalization and to additional revenue production.

In like manner the city officials must accept a distinct sense of duty for the character, location, and extent of the street projects selected for maintenance and improvement. A city also needs to utilize subdivision controls and charges against public service corporations to avoid uncompensated damage to the city's streets incident to looking after public utility installations. City officials' obligation to taxpayers requires precautions to assure that newly improved streets are not torn up to install public utility facilities. It demands that they insist on compensation when public service companies disturb even old street surfaces to alter underground installations. Inadequate foresight must not lessen the improvement each taxpayer dollar available for street purposes can buy.

One speaker emphasized that a city spending street money must be sure that the activities supported are both technically and economically sound. For illustration, a seal coat rather than "half-soling" is used at a saving of perhaps \$1.80 a square yard when the former will serve the purpose. The same speaker indicated also the need for avoiding "half-soling" treatment where the base is inadequate.

* The participants in the discussion whose addresses are a basis for the present comment are Kenneth Kyle, City Manager, Ashland; Robert Davis, Director of Public Works, Covington; and Roy Arnold, Mayor, Danville. The summary is written without specific identification of the original speakers to avoid possible misinterpretation.

In connection with this idea of city officials' responsibility for financial actions, the speakers emphasized that constructive and persistent public relations activity seems essential. Such activity can help secure the necessary voter support for street work. It can also help induce voters to insist that the legislature permit cities to take financial responsibility for local decisions. In other words, the well-governed city's public relations program can help protect against voter reprisals and against uneconomical state legislation. The opportunity for building good will through a sound street program is considerable.

Necessity for a Definite Plan

The speakers stressed particularly the need for planning street improvements in advance. In each instance they emphasized the preparation of a sound engineering and financial plan and the strict adherence to that budgetary scheme.

One suggestion involved the preparation of a long-term street improvement program. A city which can resurface 20 percent of its eligible streets a year, for example, can well afford initially to plan which 20 percent will be resurfaced during each of five consecutive years. Although before the beginning of each fiscal period there may be an opportunity to revise the plan in the light, for example, of estimating error (either of revenues or of costs), the plan as announced for the year of construction, once finalized, is not changed. Following such a practice of strict adherence to program, including publicity regarding the specific projects to be improved, can contribute heavily toward good public relations, not only for the city government as such, but also for the street program in particular.